



ASX RELEASE

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Northern Railways Field Visit Report Received from SMEC

- Field inspection confirmed that the Northern Rail Line is viable from an engineering and railway operational aspect.
- Areas for potential capital expenditure savings identified.

Aspire Mining Limited (ASX: AKM, “**Aspire**”, or the “**Company**”) is pleased to announce that its subsidiary, Northern Railways LLC (“**Northern Railways**”), has received a finalised “Field Visit Report” from SMEC International Limited (“**SMEC**”). This exploration and investigation of the entire rail alignment was undertaken with senior personnel of Northern Railways and SMEC during July and August 2013 where the alignment as defined in the Rail Pre-Feasibility Study Revision (“**RPF SR**”) was investigated and the soundness of the assumptions used in the study were tested.

On 10 April 2013 Aspire announced that it had received the RPF SR from SMEC which identified a lower US\$1.3bn capital expenditure (plus contingencies) as well as significant reductions in operating costs. This field investigation was aimed at confirming on the ground a number of the key assumptions used in the RPF SR.

This field investigation was part of a range of studies agreed to be provided by SMEC in April 2013 as Northern Railways ongoing rail consulting engineer. The field investigation focused on the constructability of the alignment from the point of view of construction logistics, geotechnical, hydrology, environmental, river crossings, and railway operations.

The key takeaways from the field investigation include:

- The logging of 14 potential quarry sites for ballast across the 547km alignment. The spacing of these potential quarry sites is such that distances from the rail line are no more than 30km.
- The RPF SR included an allowance to engineer a protection against the impacts of permafrost on the formation. Field investigations have confirmed that the length of alignment potentially impacted by permafrost conditions is 139km which is substantially less than the 200 kilometers assumed in the RPF SR. No frozen ground conditions were encountered during the field visit.
- The field visit identified 12 locations where changing the alignment slightly should result in the reduction of three large bridge structures, reduce the length of a number of large bridges, avoiding swampy ground and route around a congested industrial zone of Erdenet city where the Northern Rail Line will connect and rail yards will need to be constructed.

During the field investigation the SMEC team ***“encountered nothing that would prevent the railway from being built, nor anything that would add significantly to the estimated cost”***. Their report went on to say that in fact some minor changes to the alignment would eliminate major river crossings and the associated bridges. It was also noted that ***“permafrost, while still a potential hazard, appears to be receding and will probably prove to be not as significant an issue as anticipated and budgeted for.”***

In the overall conclusions to the field investigation it was noted that ***“the field inspection confirmed that the project is viable from an engineering and railway operational aspect, within the general budget guidelines as developed and contained in the PFS Report (RPFSR)”***.

Aspire’s Managing Director Mr David Paull commented that “This study further confirms the Northern Railways Erdenet to Ovoot rail project as a viable and efficient solution to bring Ovoot coking coal, and other resource and agricultural products from northern Mongolia to world markets. The Company continues to engage with the Government of Mongolia in its evaluation of the benefits of this rail project to the country.

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About Aspire Mining Limited

Aspire is listed on the ASX (Code: AKM) and owns 100% of the Ovoot Coking Coal Project in northern Mongolia. Aspire completed a Pre-Feasibility Study (PFS) for the Ovoot Project in May 2012, a PFS Revision in December 2012 and was granted its Mining Licence in August 2012. Aspire is targeting first production of 5Mtpa at the Ovoot Project in 2017 subject to funding, approvals, licenses and construction of rail infrastructure. Aspire’s wholly owned subsidiary Northern Railways LLC is currently continuing to progress the development of railway which will connect the Ovoot Project directly to the existing Mongolian rail network.

Aspire’s development timeline for its Ovoot Project relies primarily on i) the provision of a rail concession and other approvals from the Government of Mongolia for Northern Railways to build-own-operate the Northern Rail Line, connecting the Ovoot Project to the Trans-Mongolian Railway at Erdenet; and ii) financing of the Northern Rail Line. The timing with respect to the grant of a rail concession is outside of the control of Aspire Mining. Certain activities to further progress the Ovoot Project and Northern Rail Line development, and which will follow the grant of the rail concession, include the completion of bankable feasibility studies to support definitive financing negotiations. The Company’s development timeline to achieve first production by 2017 is indicative and contingent on the grant of a rail concession by the end of 2013.

About SMEC

SMEC is a professional services firm with Australian origins and a global footprint. SMEC has been operating for over 40 years and now has over 5,000 employees and more than 70 offices world-wide. SMEC has considerable rail experience in Mongolia, having completed the detailed design for the 225 km coal haul railway for Mongolian Mining Corporation and is currently carrying out detailed rail design as part of the ADB-funded Zamyn Uud Logistics Centre project.

About Northern Railways LLC

Northern Railways LLC is the Mongolian registered rail infrastructure subsidiary of Aspire Mining Limited, established as the entity to focus on developing railway infrastructure in northern Mongolia.

Northern Railways is in charge of the advancement of an extension to the existing Trans-Mongolian Railway of approximately 595 kilometers from the current terminus at Erdenet through to the Ovoot Coking Coal Project ("**Northern Rail Line**"), thereby connecting the northern Mongolian Khuvsgul, Bulgan, and Orkhon provinces to the existing Trans-Mongolian rail network. In accordance with Mongolian National Rail Policy, the multi-user rail line will be available for the transport of bulk materials, agricultural and general freight and passengers from the region to export markets including China, Russia and seaborne markets.

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